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TAGS: [ELAB](#) [ECON](#) [PGOV](#) [GJ](#)
SUBJECT: GRENADA LABOR ISSUES UPDATE

REF: BRIDGETOWN 617

Classified By: DCM Mary Ellen T. Gilroy for reasons 1.4(b) and (d).

¶1. (SBU) Summary: The Technical and Allied Workers Union (TAWU), Grenada's most radical and active union, continues to challenge the government with mini-strikes and threats of broader strike action. Concerned about persistent high unemployment, Prime Minister Mitchell's government has so far avoided challenging TAWU and is seeking to demonstrate that it is engaged on economic issues and responsive to the needs of workers. Among the labor issues on the government's agenda is the pending agreement with the Public Workers' Union (PWU) on a 5-year contract containing wage increases for PWU members. End Summary.

TAWU Work Stoppage at the Port Authority

¶2. (SBU) The ongoing battle between the Technical and Allied Workers Union (TAWU) and the Port Authority saw another skirmish on May 10, when TAWU members at the St. George's port facility voted to strike after ten of the port's daily workers received letters that their services would not be needed on May 10-11. TAWU insists the daily workers should be treated no differently than regular employees, but the Port Authority insists that they can be hired on a daily basis as needed. The Port Authority usually loses the argument, and it did so on May 10 again. The Port Authority met with TAWU on May 10 at the Ministry of Labour, where a decision was taken in favor of the union and the workers. The Port Authority's case was undermined by the fact that many of the port's workers have been working there for many years, a few for nearly 20 years. Furthermore, the government is not willing to risk a wider strike, and is therefore inclined to side with TAWU. The May 10 strike is unlikely to be the last chapter, since TAWU's head Chester Humphrey and the port's manager Ambrose Phillips have similar personalities and rarely back down from a fight.

St. George's Bus Terminal Workers Vote to Strike

¶3. (SBU) The Port Authority and TAWU were also the chief protagonists in a labor dispute at the St. George's Bus Terminal. The bus terminal is managed by the Port Authority and many of its workers are represented by TAWU. Constructed by the People's Republic of China after Hurricane Ivan and completed in 2005, the bus terminal has suffered from a number of structural problems, including a leaky roof and a lack of proper ventilation. Workers' complaints about these

problems have gone unanswered, and on May 15, the workers voted to strike. On May 16, Labor Commissioner Cyrus Griffiths publicly expressed concern about the strike action and called for discussions with the union. (Note: Many Grenadians rely on buses to commute to and from work every day. A strike that would close the bus terminal would negatively impact the entire island as all intra-island bus traffic flows through it. End Note.)

Agreement On Public Workers' Wage Increase

14. (SBU) As reported in reftel, Prime Minister Keith Mitchell announced on May 6 that the government reached a partial agreement on a new contract for public workers. According to the agreement, the middle and upper level wage earners would get 4 percent per year in each of the four years. Lower wage earners would get 6 percent the first year (2006) and 5 percent per year in each of the remaining years. In reaction to Mitchell's announcement, the President of the Public Workers' Union, Madonna Harford, told the media on May 7 that Mitchell had no business making the offer public as the proposal had not been approved by the workers. However, several media personalities have noted since then that it is not unusual for contract offers to be publicized and discussed openly while union members consider their options.

Background on Grenada's Unions

15. (U) Grenada's Ministry of Education and Labour estimates that approximately 47 percent of Grenada's work force is unionized. A list of the unions follows:

- a. Grenada Union of Teachers (GUT)
- b. Technical and Allied Workers' Union (TAWU)
- c. Public Workers Union (PWU)
- d. Bank and General Workers Union (BGWU)
- e. Commercial and Industrial Workers Union (CIWU)
- f. Taxi Owners and Drivers Association (TODA)
- g. Seamen and Waterfront Workers Union (SWWU)
- h. Grenada Maritime Manual and Intellectual Workers Union (GMMIWU)

Grenada Trades' Union Council (the umbrella trade union body) is affiliated with Caribbean Congress of Labor (CCL) and the International Confederation of Free Trade Unions (ICFTU). TAWU and CIWU are affiliated with the Union Network International (UNI). TAWU and BGWU are affiliated with the International Union of Foods (IUF).

Comment

16. (C) Humphrey, who had taunted the Mitchell government throughout the run-up to the Cricket World Cup (CWC) with warnings of strikes that would bring the entire country to a standstill, never followed through on his threats. He probably calculated that any strike that might undermine preparations for the popular CWC would undermine his position as well. However, if Humphrey could find the right issue, his TAWU could shut down much of the country because it represents workers in a wide range of businesses, including the Port Authority, banks, shops, insurance companies, and hotels. Humphrey's power is further enhanced by the fact that the government, facing 25 percent unemployment, appears unwilling to stand up to TAWU. The government clearly believes it is better for the Port Authority to continue paying the workers to do little or nothing at the port than to have them on the street or to give Humphrey an excuse to call for a broader and more crippling strike.

17. (C) Prime Minister Keith Mitchell's decision to take on the job of Minister for Finance in the May 15 cabinet reshuffle may be another sign of just how worried he is about Grenada's economy and high unemployment. Unemployment remains stubbornly high and since Hurricane Ivan in 2004, prices have skyrocketed on basic consumer items. Mitchell

may be hoping his May 6 threat to call in business leaders and to expand the Price Control Unit will result in lowered prices (reftel). It remains to be seen how well the tactic works, and if it does not, what other steps he is prepared to take.

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